



## Companies Ramp Up Commuter Perks

### As Commuters Look for Cost Savings, Employers Step in With Improved Benefit Programs

**By MADLEN READ AP Business Writer**

**July 11, 2006** — - For 20 years, Martha Fitts drove 16 miles to and from work every day, guzzling, in total, about 6,000 gallons of gasoline.

At today's prices, that's worth nearly \$18,000.

This year, Fitts' employer hiked its monthly transportation subsidy from \$30 to \$70, and the mother of two realized she could get to work virtually for free if she took the bus.

On June 1, she started leaving her Nissan Maxima at home, and estimates she'll save about \$250 to \$300 a month by not paying for gas or parking. Her commute time has lengthened from 40 minutes to about 55 minutes.

"I've been kind of fed up with the pure volume of gas I've been purchasing. I thought I'd try for a month to see what it was like to ride the bus, and I liked it." said Fitts, who works in human resources at the Regence Group, a Blue Cross Blue Shield provider based in Portland, Ore.

Since hiking its subsidy, Regence Group has seen employee participation in the program go from about 1,000 to 1,300.

With gas prices still more than \$3 a gallon in some parts of the country, nearly 40 percent of commuters are turning to mass transit or car pooling, according to a survey from the federally funded Best Workplaces for Commuters.

Employers are seeing benefits to greasing the wheels of that transition.

More companies are enrolling in commuter tax benefit programs, signing up for employee discounts with local mass transit, and increasing their transportation subsidies.

Advantages include tax breaks and retaining employees. The same survey said 12 percent of commuters

had considered switching jobs simply to shorten their commute.

"We realized that to be competitive with other companies, and to help people with the rising cost of gas, we'd want to make sure we were giving an amount that was making an impact with the employee," said Ruth Cummings, who developed Regence's commute reimbursement program.

Easing the cost of commuting is getting more popular these days, according to Larry Filler, founder and president of TransitCenter.

Filler started the TransitChek program in the New York area in 1987 to let commuters pay for mass transit, and now parking, with cash from their salaries before taxes were taken out which, depending on their tax bracket, can translate to savings of about \$200 to \$500 a year.

The benefit to the company is that it doesn't have to pay Social Security payroll taxes for those employees.

Since then, the program has expanded around the country, from a dozen companies to 11,000. Other similar packages have popped up around the country.

The IRS has gradually boosted the tax-free amount an employee can get from \$15 to \$105 monthly. Later this year, TransitChek also is coming out with a new card to meet the needs of workers whose commutes require more than one type of transportation.

The number of people signing up for pretax commuter benefits has increased fairly steadily over the years, but some companies have witnessed a significant uptick in recent months, which saw U.S. retail gas prices rise about 20 percent.

"The gas prices have definitely been a part of it," said Barbara Telesford, human resources manager at Canon Business Solutions, which offers the benefit in New York and New Jersey.

She said that later in the summer Canon would allow employees in Washington, D.C., and Virginia to sign up for pretax commuter benefits because of high demand.

A survey of commuter assistance programs conducted in May by the Association for Commuter Transportation said that 90 percent had indicated demand for commute assistance programs and that services had climbed between March and April 2006.

Still, only 14 percent of employers make tax-free commuter benefits programs available to workers, TransitCenter said.

Another option employers can offer is their own transportation. Children's Memorial Hospital in Chicago started a shuttle bus to and from the nearest train station, along with letting employees pay for

transportation with pretax dollars.

The 50-cents-per-ride bus costs the hospital \$500,000 a year, but it's reduced Luis Duarte's monthly spending by hundreds of dollars.

Duarte, the director of security at the hospital, helped develop the bus system, and in April started using it and the train for his 80-mile commute instead of his Dodge Chrysler van.

"I tell my wife, 'Look at this. We got a little bit more money between us,'" said Duarte, whose commute time has increased 15 minutes. "I started some mutual funds. I started a college fund for my youngest daughter."

For those whose employers don't help with transportation costs, sometimes it's just a matter of asking.

Robert Cadogan, who works at the Miami public relations firm Burson-Marsteller, talked to his human resources department about signing up for the employee discount program with South Florida's Tri-Rail commuter rail line.

The department agreed, and Cadogan who used to drive every day now takes the train two days a week, drives two days, and telecommutes one day. He's cut his typical monthly gasoline bill in half.

"When we started getting into \$2.75 and up, I was starting to feel a lot of pain in my wallet," Cadogan said. "If gasoline continued to increase, then yes, I'd commute by train completely."

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